97-84031-24

U.S. Congress. House.

Taxation and registration of motor vehicles

Washington

1922

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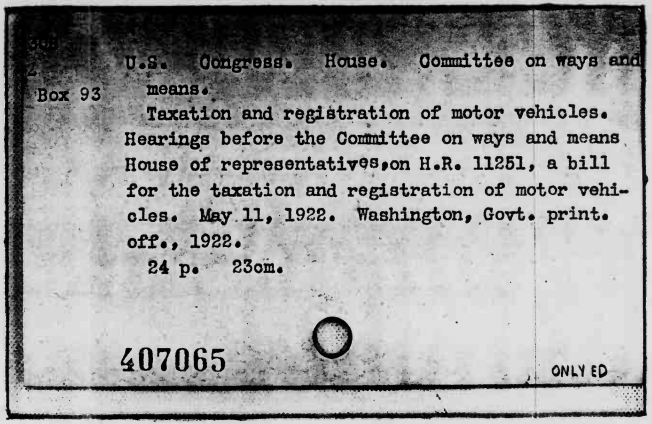

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U.S. Congress. House. Committee on ways and means.
Taxation and registration of motor vehicles. Hearings before the Committee on ways and means House of representatives, on H.R. 11251, a bill for the taxation and registration of motor vehicles. May 11, 1922. Washington, Govt. print. off., 1922.
24 p. 23cm.

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TECHNICAL MICROFORM DATA

FILM SIZE: 35 mm REDUCTION RATIO: 10:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 2-28-97 INITIALS: MS

TRACKING # : 22075

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TAXATION AND REGISTRATION OF MOTOR VEHICLES

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HEARINGS

BEFORE THE

COMMITTEE ON WAYS AND MEANS

HOUSE OF REPRESENTATIVES

ON

H. R. 11251

A BILL FOR THE TAXATION AND REGISTRATION OF MOTOR VEHICLES

MAY 11, 1922

WASHINGTON
GOVERNMENT PRINTING OFFICE
1922

106600

COMMITTEE ON WAYS AND MEANS.

HOUSE OF REPRESENTATIVES.

SIXTY-SEVENTH CONGRESS, SECOND SESSION.

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NICHOLAS LONGWORTH, Ohio.
WILLIS C. HAWLEY, Oregon.
ALLEN T. TREADWAY, Massachusetts.
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TAXATION AND REGISTRATION OF MOTOR VEHICLES.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Thursday, May 11, 1922.

The committee met at 10.30 a. m., with Hon. J. W. Fordney, chairman, presiding.

The CHAIRMAN. Gentlemen of the committee, to-day's meeting is for the purpose of hearing witnesses on the bill introduced by Mr. Mills, H. R. 11251.

(The bill referred to is as follows:)

[H. R. 11251. Sixty-seventh Congress, second session.]

A BILL For the taxation and registration of motor vehicles.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be levied, assessed, collected, and paid as hereinafter provided a tax on all motor vehicles in use on the post roads of the United States. The revenue derived under this act shall be used in the construction of post roads as provided by the act of July 11, 1916, chapter 241, as amended.

SEC. 2. DEFINITION.—That the term "motor vehicle," as used in this act, except as otherwise expressly provided, shall include all vehicles propelled by any power other than muscular power, except motor cycles, traction engines, road rollers, and such vehicles as run only upon rails or tracks.

SEC. 3. PAYMENT OF TAX AND REGISTRATION.—That every owner of a motor vehicle shall prepare an application for registration on a blank to be furnished by the clerk of the United States district court of the district where such owner resides containing:

(a) A brief description of the motor vehicle to be registered, including the name of the manufacturer and factory number of such vehicle, the character and amount of the motive power stated in figures or horsepower in accordance with the rating established by the Association of Licensed Automobile Manufacturers; (b) whether the engine or body or any other substantial part of such motor vehicle ever constituted a part of a former motor vehicle registered hereunder, if so, then a statement of such prior registration number and the cause of the dismantling of such former motor vehicle; (c) the name, age, residence, and business address of the owner of such motor vehicle. Such application and statement shall be acknowledged and sworn to by the applicant before a notary public or other officer authorized to take acknowledgements to deeds and shall be filed with said clerk within four months after this act takes effect for all motor vehicles then in use on said post roads, and thereafter every such motor vehicle must be registered hereunder before the same may be sold and delivered by the manufacturer thereof, or used on said post roads. Failure to comply with any of the provisions of this section shall constitute a misdemeanor punishable by a fine not exceeding $1,000 or by imprisonment for not to exceed one year, or both such fine and imprisonment. Any motor vehicle driven upon the post roads of the United States upon which said tax has not been paid, and which has not been registered as required by this act, shall be subject to forfeiture to the United States.

SEC. 4. CERTIFICATE OF PAYMENT OF TAX AND REGISTRATION.—That upon the filing of such application and the payment of the tax of $2 the clerk of the United States district court for the district where the owner of such motor vehicle resides shall assign to such motor vehicle a distinctive number, which shall forthwith be marked upon the engine of said motor vehicle and upon the outside of the body of said motor vehicle in the manner hereinafter provided, and said clerk shall thereupon issue to such owner a receipt for the payment of such tax showing the registration number.

SEC. 5. REGULATIONS BY SECRETARY OF THE TREASURY.—That the Secretary of of the Treasury shall have the power, under such regulations as he shall prescribe, to establish and provide a system and method of numbering motor vehicles so taxed and registered and of keeping records in regard thereto, and he shall also prescribe the manner in which the numbers shall be cut in or otherwise permanently marked on the engine and the outside of such motor vehicles.

SEC. 6. METHOD OF CONVEYANCE.—That immediately upon a sale or transfer of a motor vehicle so taxed and registered, the vendor shall make, execute, and deliver to the vendee a bill of sale of said motor vehicle. The vendee shall cause said bill of sale to be recorded in the office of the clerk of the United States district court in the district where the conveyance of said motor vehicle to said vendor was recorded, and in the office of the clerk of the United States district court for the district where the vendee resides: *Provided*, That the first conveyance of a motor vehicle, after registration under this act shall be recorded in the office where it was registered, and in the office of the clerk of the United States district court where the vendee resides. No bill of sale or other conveyance of any motor vehicle shall be valid against any person other than the vendor, his heirs and assigns and persons having actual notice thereof, unless the same shall be recorded as herein provided. Failure to comply with any of the provisions of this section shall constitute a misdemeanor, punishable by a fine not exceeding $500 or by imprisonment for not exceeding thirty days, or both such fine and imprisonment.

SEC. 7. CONTENTS OF CONVEYANCES.—That every bill of sale, mortgage, and any other paper in reference to a motor vehicle offered for record to a clerk of the United States district court shall set forth in the body thereof the registration number of said motor vehicle theretofore assigned to it under this act, and the complete chain of title of said motor vehicle from the time it was registered under this act up to the current transfer.

SEC. 8. RECORDING MORTGAGES.—That no mortgage or other hypothecation of any motor vehicle shall be valid against any persons other than the mortgagor, his heirs and assigns, and persons having actual notice thereof, unless the same shall be recorded in the office of each of the clerks of the United States district courts where the last transfer of such motor vehicle was recorded.

SEC. 9. RECORD OF CONVEYANCES.—That clerks of the United States district courts shall record all such bills of sales, mortgages, and other papers in reference to motor vehicles offered for record in books to be kept for that purpose, in the order of their reception, noting in such books and also on the bill of sale, mortgage, or other papers, the time when the same was received and shall certify on the bill of sale, mortgage, or other paper the number of the book and page where recorded, and shall receive for so recording such instrument fees in the amount of 25 cents per folio. But no bill of sale, mortgage, or other paper in reference to a motor vehicle shall be recorded unless the same is duly acknowledged before a notary public or other officer authorized to take acknowledgment of deeds.

SEC. 10. INDEX OF RECORDS.—That clerks of the United States district courts shall keep an index of such records under the registration numbers and in the names of the parties to said instruments and shall permit such index and books of record to be inspected during office hours, under such regulations as the Secretary of the Treasury may establish, and shall, when required, furnish a certified copy of such instruments or a certificate setting forth the material facts regarding any instrument so recorded. The clerk shall receive for such certificate the same fees as allowed for the certification of other records in his office.

SEC. 11. PENALTY FOR MUTILATION OF REGISTRATION NUMBER.—That any person who mutilates or changes, or attempts to mutilate or change, a number assigned to a motor vehicle under this act shall be guilty of a misdemeanor punishable by a fine not exceeding $1,000 or by imprisonment for one hundred days, or both such fine and imprisonment.

SEC. 12. PENALTY FOR DRIVING MOTOR VEHICLES WITH CHANGED REGISTRATION NUMBER.—That any person who drives or operates a motor vehicle on a post road with the registration number assigned to it under this act in any way changed or mutilated shall be guilty of a misdemeanor punishable by a fine of not to exceed $500 or by imprisonment for thirty days, or both such fine and imprisonment.

SEC. 13. That this act shall take effect on the 1st day of July, 1922.

The CHAIRMAN. Mr. Mills, have you anyone you prefer to call first?

Mr. MILLS. Yes. I would like to call on Mr. Todd, the United States attorney for the northern district of the State of New York.

The CHAIRMAN. All right; we will hear him.

STATEMENT OF HON. HIRAM C. TODD, UNITED STATES ATTORNEY, ALBANY, N. Y.

Mr. TODD. Mr. Chairman and gentlemen of the committee, I am here speaking on behalf of the Association of Federal and State Attorneys of the State of New York. Our organization was brought into existence last winter at the request of the Attorney General of the United States.

Mr. GARNER. How is that? I did not get that statement.

Mr. TODD. This organization which I represent—the Association of State and Federal Attorneys of the State of New York—was brought into existence early last winter at the request of the Attorney General of the United States in an effort to obtain cooperation between the United States attorneys and the district attorneys of the counties in the State of New York to meet the crime wave.

Mr. GARNER. To meet the crime wave?

Mr. TODD. To meet the crime wave.

Mr. GARNER. And you appear for that organization, suggesting certain taxes to suppress crime or to raise revenue?

Mr. CAREW. The gentleman is certainly not intending to raise revenue for the support of any crime.

Mr. TODD. No, sir.

Mr. GARNER. I understood your organization was formed at the suggestion of the Attorney General of the United States for the purpose of meeting the crime wave. I understood this bill to be a bill to raise revenue. I did not understand just where those two purposes came in. That is why I asked the question.

Mr. TODD. The bill, as indicated by its title is for taxation and registration of automobiles. The prosecuting attorneys are particularly interested in the registration of motor vehicles and the taxing proposition accompanies the registration, and that is the reason, we understand, that the bill has been sent to your committee; because, we understand this is the committee to which all revenue bills are referred. The genesis of this bill, as I have stated, is with this association. At its meeting early last winter the ways of checking crime were discussed by the assembled United States attorneys and district attorneys for the State of New York. There were about 50 present. It was the concensus of opinion of all those in attendance at that meeting that next to the revolver the automobile is the most useful tool of the criminal in perpetration of all kinds of crime, from a holdup on a country road to a murder in a large city. It was therefore one of the principal problems of that meeting to find some method of checking first, the theft of automobiles, and secondly, their use in other criminal enterprises. The proposition of checking such use of automobiles and their theft by State legislation was considered, and it was decided that that could not be done because an automobile can get across a State line from anywhere inside of any State in this Union in a matter of a few hours. An automobile is stolen to-night in New York and it is sold to-morrow morning in Philadelphia, Washington, New Haven, Boston and a thousand and one other places.

The schemes of registration in the different States of the Union are all different. They have their separate number plates. Those number plates are easily changed, so we saw that it was necessary, in order to check the theft of automobiles and their use for criminal purposes, to obtain uniform legislation throughout the United States; and the only way that that could be done was through the Federal Congress. A committee consisting of——

Mr. FREAR (interposing). May I ask a question on that point? What is the method of checking crime that you have in mind to bring about by this legislation?

Mr. TODD. It will enable us to indentify the car and then the owner.

Mr. FREAR. Suppose a car is stolen around the corner by the man who uses it and who then commits the robbery, will it aid that in any case, and if so, how?

Mr. TODD. It will only assist in quickly tracing that car to the particular locality in which it was stolen and in that way aid in pursuing the criminal as he gets on his way.

Mr. FREAR. That helps to locate the car, but how does it help to locate the criminal?

Mr. TODD. It will help to locate the men who were in that vicinity at the time. It is indirect so far as that is concerned.

Mr. FREAR. Is it not true that the general class of cases you have are cases where the man steals a car that is convenient and then commits the crime?

Mr. TODD. Yes, sir.

Mr. FREAR. Without any reference to the registration of the car?

Mr. TODD. Yes, sir; but if you will permit me to state, it is seldom that the criminal takes the car from the corner of E Street and then goes around on Sixteenth Street and commits the crime within an hour. He ordinarily has that car in his possession for some time, and if he has that car in his possession for some time with the Federal number on it here, the chances of his being found with the car and the car being located and thus stopping the criminal from using it are increased from what they would be under the present system.

Mr. WATSON. Would you put a Federal number on each car?

Mr. TODD. If you will permit me, I will reach that point in a moment.

Mr. HADLEY. While you are discussing it, I wish you would discuss this question: If the reasons for the passage of this bill were stated in the bill as you have presented them, do you think we would have authority to pass it? The reason for passage of the bill appears to be to create a fund to take care of post roads. That is not the reason you are stating. I assume it does not state that, as it does not appear on the first page.

Mr. TODD. It does appear in the bill. I think it appears in section 1.

Mr. GARNER. While you are doing that, I wish you would tell the committee why you would undertake to pass a law to aid in detection of criminals under the head of taxation?

Mr. TODD. It is not a criminal law.

Mr. GARNER. You may give a punishment here?

Mr. TODD. That is true, just the same as a violation of a provision of an income tax act, or any other act, is punishable.

Mr. GARNER. Ordinarily, if we would get a criticism of this bill, we would present it to the Treasury Department, but under your contention we would have to present it to the Attorney General and the Treasury Department.

Mr. TODD. May I say that before this bill was submitted to Congressman Mills it was submitted to the Treasury Department and the Department of Justice, and the approval of each of those departments was obtained. I do not mean that each department approved of every word of the bill, but the general scheme of the bill was approved by each of those departments before it was presented to Congress.

Mr. GARNER. In other words, this is an effort to accomplish indirectly through legislation something not authorized by the Constitution? For instance, my friend to my right will have enacted a law for collection of revenue, and he attempts to pass a law for the prevention or regulation of child labor, and calls it a revenue law. I am not against that, but I am against doing something indirectly which is not authorized by the Constitution.

Mr. TODD. This provides for a tax on automobiles and as an appendage to that we are trying to work in something that is going to protect the public and their property.

Mr. GARNER. You organized your association at the suggestion of the Attorney General of the United States in order to put down crime, and you come here and ask us to pass a revenue bill to suppress crime. To be frank and honest about it, if it is coming as a revenue measure, it ought to come from the collectors of customs throughout the country, or through some other organization regulated by the Treasury Department rather than from the Attorney General.

Mr. TODD. Of course we do not want to brag on our association, but perhaps we are a little bit more active than the other organizations you refer to.

Mr. GARNER. I realize that when the Attorney General organizes his district attorney forces throughout the country you had better sit up and take notice.

Mr. TODD. We appreciate that compliment.

Mr. YOUNG. This revenue feature is mighty interesting to me. About how much revenue do you think you can get out of it?

Mr. TODD. For the first year the revenue would be about $26,000,000 and each succeeding year it would depend on the number of automobiles manufactured. The number of automobiles manufactured by the different manufacturers for the last five years is 3,000,000. The estimate is that it would be $6,000,000 after the first year. This is not an annual tax. It is simply one single tax paid at the time of registration, of $2 per car.

The CHAIRMAN. Do you realize there are ten and one-half million cars in use in the country?

Mr. TODD. I figured only 10,000,000 in making up my figures, and that 3,000,000 are produced each year.

To proceed with my statement, this committee appointed for the purpose of drafting this legislation consisted of four United States attorneys in the State of New York, namely, Colonel Hayward, of the southern district, Colonel Donald, of the western district, Colonel Greene, of the eastern district, and the speaker, representing the northern district of the State of New York.

In attacking the proposition, after disposing of the tax question, we tried to find a method by which cars could be readily identified and with an identification which would stick to the car from the time it is turned out by the manufacturer until it goes into the junk heap. So we considered how each of us was identified, and we found that each of us had a name which was given us at birth and we carried it through to death, so we decided to give each car a name in the form of a number, which shall stick to that car from the time it is turned out in the factory until it goes into the junk heap, that number to be cut into the engine and into some conspicuous part

of the car so that it may be seen as it passes by—the two numbers always agreeing, the one on the engine and the one on the outside of the car. This would stop the sale of engines and automobiles separately as is now being done.

As precedents of this scheme, we thought of the branding of horses in the West. That was found to be an efficacious method, because then when the owner of a horse found the horse with his brand on it, he could identify it and then quick justice was given to the man who stole it.

Mr. GARNER. That last method you mentioned was the most effective, and I recommend it to the Attorney General of the country, that they take swift justice.

Mr. TODD. Of course we have to go through the courthouse, but we expedite it as much as possible. It is the scheme of this bill to use the same scheme in the law, the treating of the automobile thief under the law the same as you did the horsethief in the West. That is the way we exterminate them.

A further precedent is in the registration of ships. Every ship which has United States registration has a number, which is cut into the main beam and that number remains there from the time it is launched until it becomes a derelict, and that permanent number appears in every paper, every manifest, every captain's license, and all other papers in connection with the ship. That is what has happened in so far as the automobile is concerned—that this permanent number shall follow that automobile, shall be its identification, and the violation—the failure—of an automobile owner to register his automobile and pay the tax and give that number is to be punished by heavy punishment.

Mr. WATSON. What provisions are made where a man buys an automobile and decides to buy another body?

Mr. TODD. Then, he will have to apply to the proper registration office and have the number stamped on the new body.

Mr. WATSON. That would be very expensive, would it not?

Mr. TODD. No.

Mr. WATSON. If a man were to buy a new body he would have to carry it to a commercial shop or to some one to have the number pressed into the body.

Mr. TODD. Yes; that could be done at a very little expense.

Mr. WATSON. Who pays the agent that presses the number into the body?

Mr. TODD. We have left that to be worked out in the regulations—the regulations under the act are to be promulgated by the Secretary of the Treasury, but the suggestion has been made by Mr. Burns of the Department of Justice (chief of the bureau of investigation) that the regulations should be made by the Department of Justice so that they may be used in connection with the national identification of criminals which will be an advantage.

Mr. GARNER. You provide now that the payment of $2 by men who own automobiles at the present time shall cover the cost of registration. In addition to that, will they have to have their engine number pressed in and their body number pressed in?

Mr. TODD. At the time the registration of the car is effected that number will have to be impressed upon the engine and on the outside of the car.

Mr. GARNER. Who will do that work?

Mr. TODD. Some representative of the United States. While this scheme I am now going to state is not in the bill, I will suggest a plan which I think could be worked economically, and that is that the clerks operating with the United States marshals and the United States clerks would send the number to the United States deputy marshal nearest to the place where the owner of the car resided, and he would impress the number. It would be done by some machine which would be made for that purpose, and there are a number of such machines that have been suggested to me. Since this bill has received some publicity, I have received valuable suggestions along that line from all over the country. I have had one from Texas which is a very good one.

Mr. GARNER. The thought comes to my mind that a man purchasing a car will get this number, and this number must be impressed upon the car. If he does not pay for doing it, the Government has got to pay for it, which will cost something. Of course the committee wants to know just exactly what that cost would be, and somebody must furnish that information. I do not know whether you have it or not.

Mr. TODD. I have not that information with me, but I have been assured by mechanics that it could be done for a small sum.

Me. GARNER. What do you mean by a small sum?

Mr. TODD. The cost of registration and everything that went into it would not be more than $1.

Mr. GARNER. Do you mean that a man who owns an automobile shall pay $2 and that will be the extent of his expense?

Mr. TODD. That is all.

Mr. GARNER. Then the Government will take the number and keep the books as to the name of the man and the number of the automobile, and that will cost a dollar?

Mr. TODD. Yes, sir.

Mr. GARNER. So this year there will be $26,000,000 of income and $13,000,000 probably of outgo?

Mr. TODD. That, I think, would be too much money—$13,000,000—because I am satisfied that doing it on that large scale, it could be done for less money than that, but it would not exceed that amount.

Mr. GARNER. You know we sometimes have to pay our efficient men a good price.

Mr. TODD. I call attention that this bill has been drafted so as to keep these expenses down to the minimum and provides registration through clerks of the United States court and the United States marshals—machinery already in existence—so that there will be no new department or new bureau organization, and the expense will be that of whatever a few additional clerks in the United States marshals' office will cost.

Mr. FREAR. Let me ask a practical question in reference to this. My office used to issue 200,000 automobile licenses. Who would put the stamp on the automobile licenses when they were issued? Would it be done by some employee of the State office at that place, or some Federal officer?

Mr. TODD. It would be a Federal officer, and my suggestion was that it should be a deputy United States marshal.

Mr. FREAR. That is to say, you would present at the secretary of state's office, or whatever office it was to place this stamp on the car when the license was issued?

Mr. TODD. No; it would not be necessary to take the car to the clerk's office. His application would be filed with the United States clerk, and the number would be filed with the clerk, and that license would be sent to the deputy United States marshal who resided nearest to the owner of the car and he would attend to it. He would attend to the impress of the number of the car.

Mr. FREAR. For instance, an application is received by a State officer from a man 200 miles away asking that the license be sent to him. Would the enforcement of this or the application of this law require the Government to send some man from the nearest point, say 50 miles away from that machine, or what is really the practical working of it?

Mr. MILLS. May I suggest the difficulty Mr. Frear is referring to would only occur the first year, because after that the number would be established at the point of manufacture.

Mr. FREAR. Practically so. I am trying to ascertain how you are going to stamp the car in a case of this kind.

Mr. TODD. This is not fixed in the bill. The regulations are left to be made, but this is the suggestion I would make (perhaps someone can suggest a better plan), and that is that the clerk upon issuing the license should send that license, which would state the permit number, to the deputy United States marshal who resided nearest to the owner of the car. You know there are deputy United States marshals in nearly every county of every State in the Union, and the owner of the car would then take the car to that United States marshal, which would cause the owner to go only a few miles in his automobile, and the deputy marshal would then fix the car in accordance with the license.

Mr. GARNER. You live in New York where there are lots of deputies and marshals. A marshal down there in my country covers probably 24 counties. He could not be in one county. We would have to travel down there from 75 to 100 miles to get to him.

Mr. TODD. Then let it be done by the postmaster.

Mr. GARNER. I merely call attention to the inconvenience, but I agree with you that after the first year the whole matter is arranged through the automobile manufacturer, and then the car will come to the man with all the numbers arranged so that they would know exactly who has got that particular car.

Mr. HAWLEY. How would you regulate this matter? If a car is registered in the name of a man, would it give that man a clear title to the car?

Mr. TODD. In the first instance it would so far as registration would affect that; but that would not insure him title to the car.

Mr. HAWLEY. It would cast a doubt upon the rightful owner of the car, would it not?

Mr. TODD. Not any more than a State license would, or any other license tag.

Mr. YOUNG. Would all the certificates be issued at the same spot? It would all have to be done at one place, or there would be conflict.

Mr. TODD. No; the scheme is that it would be done by the United States clerk in each judicial district, and of course in arranging the numbers, different numbers and symbols would be assigned to each of the judicial districts.

Mr. YOUNG. He would start with 1 and the next district, perhaps, with 200,000?

Mr. TODD. Not necessarily numbers; undoubtedly symbols would be used for each United States judicial district.

Mr. YOUNG. And a central point would issue the number?

Mr. TODD. Yes.

Mr. YOUNG. That number is sent through the mail?

Mr. TODD. Yes.

Mr. YOUNG. And as my colleague intimated that might fall into the hands of a man who would put it on his car?

Mr. TODD. No; the plan I have suggested and stated in answer to the question of your associate on the right is that the car is to be purchased and the number impressed on the car by a representative of the United States Government, whether he be a deputy United States marshal or postmaster. There is to be no sending through the mails to the owner of the car, or the one registering the car and let him put it there.

It is not a question of delivering it; it is a question of cutting it in. It is going to be cut into the engine so that it can not be removed, and it is going to be stamped on the body—not a thing that can be tacked on or bolted on or screwed on. It is going to be put there in a permanent position.

Mr. YOUNG. Suppose a man gets an order from the clerk of a United States court——

Mr. TODD. Yes.

Mr. YOUNG. And then an order for the automobile number comes through the postmaster and he says he is ready to have his car numbered—is that it?

Mr. TODD. Yes.

Mr. YOUNG. Of course the postmaster goes with you wherever that work can be done and sees it done. Is that the idea?

Mr. TODD. That is the idea.

Mr. YOUNG. Who is going to pay for all this, including time of the postmaster?

Mr. TODD. By the United States Government. However this operation which you have mentioned would be much simpler than you have stated. There will be a machine provided for these public officers who will do the marking with this simple machine.

Mr. YOUNG. What will be the cost?

Mr. TODD. It will not be large, because for 10,000,000 cars the number of those machines that would have to be purchased and turned out would not be expensive.

Mr. YOUNG. You would have to have a machine for every postmaster, would you not?

Mr. TODD. Not in all the States of the Union because there are only a few States like Texas where the population is so scattered.

Mr. GARNER. Would it not work out this way in the course of three years, that when a man went to buy a car, that the dealer would arrange all the matters of stamping the car and delivering it to him? So far as that is concerned, the work of it will be taken care of by the manufacturer of the automobile and the people who sell automobiles?

Mr. TODD. Not only that, after the effective date, which will be the 1st of next July, every man who buys a car, before the manufacturer delivers a car to a dealer or anybody else, he is obliged to go to a United States clerk's office, obtain a permanent number, have it impressed upon the car and the car is then registered and the tax paid.

Mr. FREAR. Why would not this be more practicable and better, to have the manufacturer at the time he turns out the engine and the car put the stamp on at that time by the proper authorities, and it could not be sold except when it carries that stamp? That seems to be the simpler way and saves the purchaser all this trouble. I do not think there is any one of us but feels in sympathy with the purpose of this bill, but it is a question of whether it can be carried out.

Mr. TODD. I will state to you that these details as to the manner of effecting this registration and the manner of marking the car—all those are to be left to the officers who promulgate the regulations.

Mr. YOUNG. But the character of the registrations will determine the cost and they ought to be pretty well known in advance as to what the cost is going to be to say whether or not it is going to eat up this $2 fee. It looks to me you have got your fee pretty small in relation to what you are going to do.

Mr. HADLEY. I suggested to you earlier in your statement a point to cover. I neither express nor imply any opinion in regard to the merits of the bill or any legal question that may be involved in it by asking this question. It is perfectly apparent on the face of the bill that it avoids the question of authority in carrying out the purpose which you state to be the object of the bill. In other words, the first section to

which you refer provides for a tax to be used for the construction of post roads. You have not discussed here the tax on automobiles for use in the construction of post roads. You have discussed the tax and pointed out how, as I understand it, you are invoking the taxing power of the Federal Government to aid the police power of the State. If that appeared upon the face of the bill as the reason for its enactment, would you maintain that we have the constitutional right to exercise that power? And if you do not, then coming back to the face of the bill which seems to avoid that question by predicating your appeal to Congress upon an effort to raise money for post roads, on what theory do you expect the committee, if it reports the bill, to explain the authority of Congress to pass the bill in the face of the hearings? I am not implying any theory, but I do want to get your theory in the record so that it will be consistent with your expressed purpose.

Mr. TODD. As I understand, the Treasury Department of the United States is perhaps more interested in that feature of the bill than the organization which I represent, and it is after collaboration with the Treasury Department that this bill has been drafted and the Treasury Department is very much interested, and while I have not the right to speak for them, I understand that they are to have a representative present who will urge the bill as a revenue producer; and the object of this bill, as stated in the enacting clause, is for the purpose of taxation.

Mr. HADLEY. I asked you this question because the record shows that you are an attorney and an attorney of standing and position, and I thought that while you are on the stand it would be an appropriate time for the committee to have an expression on that point.

Mr. TODD. We have considered the constitutional features of the bill, and after careful examination we are satisfied that it meets the constitutional tests. It is a bill for raising revenue, and it is in the nature of an excise tax, and that is the object of the bill as expressed in its terms, and the reason I have not been urging it at length is the one that I have stated—I understand that that phase of the bill will be presented by representatives of the Treasury Department.

Mr. GARNER. May I ask you a question before you go?

Mr. CAREW. You know that everything you say here this morning is being taken down and if the Members read what you say, every one will be convinced that you are coming here and asking us to use the taxing power as a subterfuge, and there is not a one of us who can stand up in face of that on the floor. We have got to be honest. We can not go over there and recommend this bill when it appears from your statement that the real object of this is to get assistance for the district attorneys to air in the enforcement of the criminal law.

Mr. GARNER. Are the automobile associations in favor of this bill?

Mr. TODD. There are a great many automobile associations and I understand some of them have representatives here to speak. I do not know what attitude they are going to take, and I am not here to speak for them. In answer to the question of Congressman Carew, I would again assert that the only reason I have agreed to limit my discussion to the part of the bill in which the prosecuting attorneys are interested is because I appreciated that my time here would be limited and I expected the representatives of the Treasury Department were going to discuss the other part of the bill.

Mr. GARNER. Let me say for your own gratification that you are not the first man to come here and ask Congress to pass legislation for police regulation. The oleomargarine people did it, the safety-match people did it, and the child-labor people did the same thing. They are all doing something under the head of taxation which the Constitution does not authorize them to do otherwise.

Mr. HADLEY. This involves police power strictly through the taxing power, but when you come to legislating upon the authority of the public welfare clause of the Constitution, it is a different proposition.

Mr. GARNER. If it comes to the question of getting taxes and for the purpose of increasing revenue, we can get some money by adding another naught to the tax.

The CHAIRMAN. Instead of making it $1,000 maximum, make it $1,000 minimum, and instead of making it 100 days maximum, make it a hundred days minimum.

Mr. TODD. I agree with the chairman, and that is an amendment which is going to be discussed and offered in due course, that the penalties are altogether too lenient.

Mr. YOUNG. I want to ask you this question: Some time ago we had some advocates before this committee, and one of them wanted to tax automobiles with a real tax. What is your attitude on that matter?

Mr. TODD. I am not acquainted with the bill, and therefore I can not express myself.

Mr. YOUNG. There were protests came in here against any such tax.

Mr. TODD. It was not brought to my attention. I am not here representing any automobile association whatever. I have no interest in any automobile except as I own one and enjoy it and drive it.

Mr. YOUNG. Apparently taxing automobiles as a tax does not meet with any favor in the country, but a proposition like this, which it appears is not to tax it, will at least bring a certain number of people here and ask us to pass it. There was not anybody who came to us and asked us to pass the other proposal.

Mr. TODD. It has been my observation that nobody is rushing in here to be taxed. I have not observed the committee room.

Mr. GARNER. Have you not found it the other way—that they are rushing here to keep from being taxed?

Mr. TODD. I have.

May I add that this bill provides, in addition to registration, for the recording of all transfers of cars. It requires in order that a car be sold that a bill of sale must be issued, and that that bill of sale must contain the permanent number, and it must contain the chain of title of that car, and it must be recorded in the proper United States District Court Clerk's Office—the same provision as to mortgages. In that connection I desire to call the committee's attention to the situation which exists in this country at the present time that more than 50 per cent of the cars purchased by the public from the dealers are being free and clear in title, are in fact mortgaged and any of you gentlemen on the committee when you go to any dealer right here in Washington will be taking a chance to buy a car—a chance that you are buying one that is subject to a mortgage and you can not find out whether it is or not.

Mr. GARNER. Why?

Mr. TODD. Because there is no efficient recording system in vogue in the District of Columbia to enable you to ascertain that fact. I will give you an example. My friend Col. William M. Haskell, who is at present in Russia attending the relief, came back to this country about a year ago from this time, from his service in Armenia. He bought a house here in Washington. He also bought an automobile. He went to an automobile company in Washington, which was recognized as being one of the leading retail dealers in automobiles. It was a representative of the Stutz car. He went into the Stutz place and he saw a fine looking car standing there on the floor. He asked how much it was worth. He was informed that it was worth $4,300—the list price. I knew the car. He liked it and he had saved $4,000. He bought the car, and he paid his cash for it. He used the car all summer. When he was asked to go to Russia, he had five days to get out of the country. He turned his car over to me to look after. He says, "What shall I do with the car?" I said, "Take it back to the Stutz people and let them sell it for you." He did. He took it in there and said to them, "Sell this car for me." He got a receipt from them.

About two months ago I got a letter from an officer here in Washington (Colonel Sherrill) stating to me that he understood a United States marshal had taken Colonel Haskell's car, and wanted to know why. I immediately telegraphed the United States marshal and asked him why, and I received this reply: The United States marshal had taken the car in an action of replevin, which had been brought by the Franklin National Bank on this car against a man by the name of Steven Paul Murphy, and there was no such man connected with the Stutz Car Co. The bank had a mortgage on that car, and it was given just a week before. There was no record in Washington to record that. How could a man protect himself against any such condition as that?

Mr. FREAR. That same thing applies to any deed record.

Mr. TODD. This bill provides for a remedy for that, and that is what I want to bring to your attention Every one of these bills of sale and mortgages under this act must be indexed in a permanent record, so that when you go to buy an autonobile and you look at the number, which may be 9786, you can look in the book and find the same number.

Mr. OLDFIELD. And when you buy a car you have to employ an attorney to search the records?

Mr. TODD. Not at all, sir. All you have to do is to write to the clerk and ask him who is the owner.

Mr. OLDFIELD. You have to have a set of books and employ an extra set of clerks, and a man who lives miles and miles from the clerk will probably have to wait 10 days before he finds out whether he can get title to the car.

Mr. TODD. Hardly that long, I should think.

Mr. OLDFIELD. How was this car identified in the chattel mortgage?

Mr. TODD. By the motor number.

Mr. COLLIER. Was not the Stutz Motor Co. responsible for selling a car that was mortgaged?

Mr. TODD. Yes; but it went into the hands of a receiver, and when he got there he found 50 other cars in the same situation.

Mr. COLLIER. Is that not an extreme situation?

Mr. TODD. No.

Mr. COLLIER. Did you ever have another case of this same kind?

Mr. TODD. I have. In the city of Syracuse, N. Y., where I have been attending court for six weeks, the same thing happened there to a man by the name of Blair. I happen to be the director of a trust company, and there is a motor car company there that buys cars by the carload, and they always borrow money from us to buy them. They give us a chattel mortgage to protect that loan.

Mr. HADLEY. Is there a chattel mortgage law in your State?

Mr. TODD. Yes, sir; but there the chattel mortgage is filed in the city clerk's office and you have to look against names and you can not protect yourself in that way. These will be filed in one place and you simply inquire for a permanent number.

Mr. YOUNG. Will it be a National office or a State office?

Mr. TODD. A National office.

Mr. YOUNG. You are going to put a registration office in every State, are you not?

Mr. TODD. No; in every United States district clerk's office.

Mr. YOUNG. In many States there will be only one office and in many States there will be two or three, perhaps.

Mr. TODD. Yes.

Mr. YOUNG. It is proposed to have a registration division of the United States clerk's office?

Mr. TODD. That is the plan.

The CHAIRMAN. That would be a matter of detail for the committee to work out.

Mr. OLDFIELD. I want to say that in my State you can put a man in the penitentiary for doing what Murphy did here, or anybody else; or you can put a man in the United States penitentiary for selling mortgaged property.

Mr. TODD. You can do that, but it will not get Colonel Haskell's car.

Mr. OLDFIELD. I thought you were after detecting criminals?

Mr. TODD. I am not the United States attorney here. Perhaps I should have advised him of this.

Mr. GARNER. How long have you been a United States attorney?

Mr. TODD. To be exact I was appointed the 6th of last July.

I thank you, gentlemen.

STATEMENT OF DR. H. M. ROWE, EX-PRESIDENT OF THE AMERICAN AUTOMOBILE ASSOCIATION, AND NOW DIRECTOR OF THE AMERICAN AUTOMOBILE ASSOCIATION, OF BALTIMORE, MD., AND HERE REPRESENTING THE OPPOSITION TO THE BILL UNDER CONSIDERATION.

The CHAIRMAN. We will hear Doctor Rowe.

Mr. ROWE. That is a significant name, and you will find that, maybe before I get through, it is appropriate. It is pronounced "row" (r-o-u) if the committee will be kind enough to permit of just one-half minute's levity, I want to tell you this little story. Ikey came to the teacher in school and Ikey was not very cleanly in his habits, nor in his person. The teacher told Ikey to go home and have his mother put him in good condition to come back and associate with the other little children in school. Ikey went home and he came back the next day, but the teacher did not discover much improvement; so she sent him home again. The same thing happened the third day. Ikey's mother took a piece of paper and she wrote on it, "Dear teacher, Ikey is not a rose; you teach him; don't smell him."

The CHAIRMAN. I criticized a school-teacher yesterday, and was severely criticized for that.

Mr. ROWE. I am a school-teacher myself—or was in the old days. I smell something in this bill—whether I am to teach anything about it or not remains to be seen.

Mr. CAREW. You spell your name with a "w" and not an "s"?

Mr. ROWE. R-o-w-e, not a "rose."

The CHAIRMAN. We have but 30 minutes to hear this, and had better proceed.

Mr. ROWE. Please do not interrupt me; I am not a lawyer, for which I am thankful. I am a plain dirt farmer part of the time and another part of the time I write school books. I would like to have you know that I drove the sixth first automobile in Maryland, and I have been bumping over this question of automobiles and tax licenses ever since. I know more about it than was evidenced by the honorable speaker who preceded me.

I have here the telegram which was sent to each of the directors of the American Automobile Association, which I represent in my appearing here. It has about 500,000 members scattered in all parts of the United States. It influences very many more automobiles and it works, as you know, actively for good roads and for all things that are helpful to the industry, that protect the motorist and protect the public and do good in motordom in every direction that we find. But we do oppose some things in connection with the motor car and its use.

Now this bill before me, which I read quite carefully (I hope the committee will pardon me if I designate it as a monstrosity), if you will give it careful consideration you will discover that it is, first of all, a revenue measure pure and simple, and secondly, it sets up a provision for titling cars.

The eloquent speaker has said that these cars were to be numbered by some authority (we presume consecutively), and he has admitted that there are 11,000,000 cars in the United States, so the last car number would be No. 11,000,000. It would be on the engine and it would be hammered in good and tight. It would also have to be on the body of the car.

If I own a car and I want to put on a winter body, I would have to go to the proper officer, who is designated as the clerk of court (and the clerks of court have other business besides looking after matters of this kind, I have found) and secure a reregistration of my car, because I have changed it.

If I took my car to my repair shop to have my engine rebuilt—it is a common custom for the motor car companies to lift out that engine and set in another engine for the time being while they rebuild the motor. What would be the case in that instance in the administration of this bill? You would have to go to your clerk of court, district attorney, or your United States marshal, whether he were in your town or 20 miles away——

Mr. MILLS (interposing). You mean, when your car is overhauled the motorman gives you an engine to run while he is overhauling it?

Mr. ROWE. Yes, sir; he does it for me.

Mr. MILLS. What company did it for you?

Mr. ROWE. The Franklin Motor Co. did it for me. Of course it depends upon the local representative of the company.

Mr. MILLS. They keep engines to put into your car?

Mr. ROWE. No; they do not keep it, but they repair it and put it back into your car; but you want the use of your car while they are overhauling your engine for three or four weeks.

Mr. YOUNG. Is that ever done for anybody except the president of the American Automobile Association?

Mr. ROWE. It is done by some agencies and some dealers. It is common practice. The Packard Co. did it for me for a number of years. You can come to Baltimore, and you have a worn engine, and they will set in another engine and you can go out with the use of your car, and you can have the use of that car until they reconstruct your motor.

Mr. YOUNG. Do you think that this can not be worked at all?

Mr. ROWE. If you will allow me to go through this bill, I will show you many features about it that are entirely impracticable.

The CHAIRMAN. Pass on to another point.

Mr. ROWE. All right. I will pass to another point. It is a revenue proposition. The motor owners of this country are paying into the Government $344,000,000, and somebody estimated here a greater number of cars than we estimate. A Federal excise tax, which is 5 per cent on automobiles and 3 per cent on trucks amounts to $122,000,000 revenue to the Federal Government. We have State registration taxes amounting to $125,000,000; we have personal property taxes in many States amounting to another $75,000,000.

Mr. MILLS. How was that figure obtained?

Mr. ROWE. I can not tell you the details of getting these figures, but they were obtained by reference to the State tax reports.

Mr. ELDRIDGE. Yes, sir; from the State officers.

Mr. MILLS. Do you know how much was collected from the State of New York?

Mr. ELDRIDGE. About $5,000,000, I think.

Mr. MILLS. On automobiles?

Mr. ELDRIDGE. Yes, sir.

Mr. MILLS. That is a license tax, is it not?

Mr. ELDRIDGE. Registration tax. I do not think we had a personal tax.

Mr. MILLS. We did until recently—this year—on automobiles. Is not that $75,000,000 an estimate?

Mr. ROWE. Yes; it is an estimate based upon returns from about 35 States. Of course, we can not get exact figures. We have 17 States that are now taxing gasoline for State purposes, which brings in a revenue of $12,500,000. In our State we have a law going into effect June 1 of 1 cent per gallon.

Mr. FREAR. The farmer pays that as well as the automobilist, does he not?

Mr. ROWE. Everybody. On January 1, 1924, we are to have a 2-cent addition to the price; 2 cents per gallon added to the price of our gasoline. Then, we have miscellaneous taxes. By that I mean chauffeur's tax and permits to drive, owners' driving license, titles to cars, fees to cities and counties, and taxes of these kinds that are called miscellaneous. There are a great many of them in some States. These amount to another $10,000,000, making this total of $344,000,500.

Mr. FREAR. What is the property value, if you can state, of all automobiles in use now?

Mr. ROWE. I can not state that.

Mr. FREAR. I was wondering if we could get the percentage or the rate of taxation based upon the value of the cars. You know that in real estate we get the percentage.

Mr. ROWE. I can not do it. And you know that the automobiles are no longer owned and used by people of wealth, but by the farmers and people living in little villages. They are by far the largest majority of owners, and the average tax expense covering all the 11,000,000 motors in the country is $32 each.

Mr. YOUNG. Have you any figures to show the total annual maintenance cost of highways in the United States?

Mr. ROWE. I have not.

Mr. ELDRIDGE. $180,000,000 annual maintenance of the highways in the United States is the estimate by the Bureau of Public Roads.

Mr. MILLS. Have you estimates of what the depreciation is?

Mr. ELDRIDGE. That does not include the depreciation.

Mr. YOUNG. The depreciation is pretty heavy, is it not?

Mr. ROWE. Yes; upkeep is supposed to largely take care of that.

Mr. YOUNG. This tax is not supposed to be placed upon autos merely as an ordinary personal property tax based on the value, but because they are used on the highways, and they should help pay for maintenance and depreciation.

Mr. GARNER. Do you know of any people in the United States that have prospered or rather who have expended more than the automobile people in the last 10 years?

Mr. ROWE. It is the second largest industry in this country.

Mr. GARNER. And it has largely developed in the last 10 years, has it not?

Mr. ROWE. Yes; I think it has.

Mr. GARNER. Any kind of industry that has a growth of that proportion ought to be a legitimate source of taxation. I think you are paying a pretty good tax, but I think you ought to pay a larger tax to the public roads than now. I do not know how you could do it to the Federal Government.

Mr. ROWE. If you will permit me to say so, if they keep on increasing taxation as they have been recently in the various States where taxation fees have been low, the revenue from that source will be very largely increased Now, you must, in that connection remember that in each of these big manufacturing establishments turning out the automobiles they are paying heavy personal taxes.

Mr. GARNER. Yes; but, whatever the taxes may be, they have prospered and expanded greater than any other industry within the last 10 years.

Mr. ROWE. I am not here to argue that.

Mr. GARNER. So unquestionably they are not being taxed out of existence.

Mr. ROWE. A good many of them have failed. I want to discuss this bill.

The CHAIRMAN. If you will do it pretty quickly, you may. We are going to close very soon.

Mr. ROWE. I would like to bring to your attention the fact that we have 13 States that have passed title laws. We have one in Maryland. I will say to the gentleman from New York, if he is worried about that, go back home and pass that. That is not a Federal proposition; it is a State proposition. There is no machinery provided in this bill for the operation of this law. Not a particle. It is all handed over to Mr. Mellon and his department. We do not know what the results may be when that matter would finally come from them.

At the present time we have to register in some instances in more than one or two, and at the present time we have considerable additional expense as between the State of New York and Connecticut and Rhode Island and New Jersey. They have what they call limited registration, which as a matter of fact, means that after you have passed across the bridge from New Jersey to New York twenty times (they have checkers), that you must buy a new license. We who live in the District must buy a license in Maryland before we can come in there. I wish they would make the license fee here as big as the Maryland license fee, and then they would stop their foolishness.

If you gentlemen in Congress would pass a reciprocity bill providing that a man, a free citizen under the Constitution, can drive anywhere in the United States after he is properly registered in his home State, so long as he observes the law in that State, you would do a great act. This matter of stealing automobiles has been grossly exaggerated, and it has been because the United States district attorneys—and I think the gentlemen will bear me out in that—have found it difficult to secure convictions. They have had no great difficulty in apprehending. The real difficulty is that they do not soak the thief when they get him. Sixty days? It ought to be six years. If a man takes a loaf of bread for his family when they are awful hungry, he gets six years. But if he takes an automobile it is 60 days.

Mr. FREAR. Do you have any statistics to show how many cases of conviction occurred from stealing automobiles in proportion to the cases of theft of the machines?

Mr. ROWE. No, sir. We do not have that information.

Mr. FREAR. We know that there are a great many cars stolen.

Mr. ROWE. Yes, there are; but now the police regulations have become so improved that many of those cars are returned. The greatest number of them are found and returned.

Mr. YOUNG. It is the rarest thing that a man who drives an automobile is ever convicted for anything, is it not?

Mr. ROWE. I can not speak from personal experience. I am good. I have seen a good many others arrested, and I have known a good many to be arrested when they had no right to be arrested; but there is a difference in being arrested for driving along with your tail light out when you do not know it, and running over a person and not stopping and giving him attention, or driving when you are intoxicated. Those cases should be severely punished.

I think the old Vigilante idea of lifting up a man by his neck until he is dead would stop stealing cars if it were exercised. I would not advocate it, but I think that would cure it.

Mr. FREAR. Or for running over people by criminal carelessness.

Mr. ROWE. If you can establish criminal carelessness. I don't think you could do that in very many cases.

Mr. FREAR. You can not establish it but we know it exists.

Mr. ROWE. I do not believe any man would intentionally want to injure anyone else; if he does, he is intoxicated or there is something else the matter with him.

Mr. FREAR. That comes under the definition of criminal carelessness.

Mr. ROWE. Well, I am not a lawyer, thank God. [Laughter.]

The CHAIRMAN. Mr. Rowe, I wish you would conclude your statement as soon as you can. There are several other gentlemen here who want to be heard.

Mr. ROWE. Now, gentlemen, I am not going to take your time any longer——

Mr. GARNER (interposing). I want to ask you one question before you sit down.

Mr. ROWE. If you will permit me, I would just like to add one thing. It has been stated here that there was but one fee. I want to make two statements in regard to that. If that one fee which we are told would bring in a revenue of $22,000,000 or $23,000,000, whatever it was——

A VOICE. $26,000,000.

Mr. ROWE. Or $26,000,000.

Mr. MILLS. In one year, the first year.

Mr. ROWE. Yes, the first year. If it brings in $26,000,000 and the method of finding these numbers is set forth as a presumption, not as a fact; it is not stated here, but it is a presumption it will be done that way—in contradiction of that I want to call your attention to the fact that there is a fee provided here. It is small; the amount is 25 cents per folio for the record of conveyances. Now, there is another fee and there will be continuous fees in regard to the same car from year to year under the provisions of this act, and particularly if the suggestions of the gentleman are carried out by the Treasury Department.

Mr. WATSON. There is another fee added to that of 50 cents notary fee, which makes 75 cents.

Mr. ROWE. Yes; there is the notary fee, and we don't always have notaries living next door.

Mr. YOUNG. Is it your idea that you get no service out of this at all?

Mr. ROWE. No, sir.

Mr. YOUNG. So you do not care to pay any fee at all of any kind?

Mr. ROWE. I am paying my fee. The 11,000,000 motorists in this country are paying big fees.

Mr. GARNER. I want to ask you a general question, if you are speaking for the association. If I understand you, you are paying $120,000,000 to the Federal Government in the way of taxes on motor cars and accessories?

Mr. ROWE. $122,000,000.

Mr. GARNER. You also advocate good roads, your association does?

Mr. ROWE. Yes, sir.

Mr. GARNER. What would your association say to the policy of the Federal Government levying taxes against your industry for the purpose of keeping up and building good roads throughout the country?

Mr. ROWE. My personal industry?

Mr. GARNER. The motor industry.

Mr. ROWE. Well, I am not in the motor industry.

Mr. GARNER. But you are speaking for the automobile association. What would your association say about the policy of the Federal Government levying this tax that is already levied for the purpose of building and maintaining roads in the United States?

Mr. ROWE. My answer, sir, would be that the people would pay it in the increased cost of cars to them.

Mr. GARNER. Would that be satisfactory to your association?

Mr. ROWE. It would not, because we now feel that we are paying ample, particularly the dirt farmer. I don't know—possibly you do not like to hear that fellow's name mentioned here, but he is a man that doesn't have the money to pay for this thing.

Mr. YOUNG. What kind of a car do you drive yourself?

Mr. ROWE. I drive a Ford for one of them.

Mr. YOUNG. For one of them? Have you more than one?

Mr. ROWE. I happen to have a business.

Mr. YOUNG. I see.

Mr. ROWE. I have two cars.

Mr. FREAR. That is outside of being a dirt farmer?

Mr. ROWE. That is outside of being a dirt farmer; yes, sir.

Mr. YOUNG. You can not qualify as a dirt farmer, then?

Mr. ROWE. I am well qualified as a dirt farmer. You come over and I will show you. I have got a Ford tractor.

The CHAIRMAN. Now you are wasting time.

Mr. ROWE. Yes; they want to make fun of me but I don't want them to do it.

Mr. FREAR. You have been emphasizing that in the record quite frequently, and we wanted to find out.

Mr. ROWE. Now if your committee will take time—I will not take your time—to carefully read that bill, if you own a car, Mr. Chairman, and you have had any experience with cars you will discover that you are going to be put to a great deal of annoyance, no matter what your occupation is, and it is going to amount to a great deal in carrying out the provisions of this bill.

If this bill did carry with it a definite procedure for getting hold of these cars by United States authority it would be a different thing, but it is nothing but a police measure so far, and it goes back to the same sources of policing that we have now.

My remedy, I would say, to meet all of this bill except the revenue measure, is for each State to pass under the provisions—we now have a Federal statute, an antitheft law known as the Dwyer law, with which doubtless you are familiar, which provides that the transportation of stolen motor vehicles from one State to another is punishable by fine of not more than $5,000 or by imprisonment of not more than five years, or both. It is understood that over 1,000 convictions have been secured under this law—that answers the question of one of you gentlemen—and that it has been very beneficial—has had a very beneficial effect in preventing thefts of automobiles.

Now, there is a proposed antitheft law recommended by the motor vehicle conference committee, which is composed of representatives of the National Automobile Chamber of Commerce, the National Automobile Dealers' Association, the Motor Accessories Manufacturers' Association, the Rubber Association of America, the Trailer Manufacturers' Association of America, and the American Automobile Association, which provides for transfer of ownership; that transfer of ownership must be recorded with the State automobile department, with severe penalties for nonobservance of this transfer. As I have already stated, these laws have been passed in 13 States. We have one in Maryland. I do not know whether it has done any good. It put me to inconvenience and other people, and they cussed about it, but it is on the books anyhow.

A VOICE. May I be permitted a question there? On this question of the adoption of uniform State laws, I would like to ask the speaker how long they have been working to obtain the adoption of this law in the 13 States?

Mr. ROWE. I can not answer that question.

Mr. YOUNG. Is that all they have it in, 13 States up to date?

Mr. ROWE. Yes; so far. Of course this act has not been long on the books.

Mr. FREAR. Could you offer an observation as to what the previous speaker has said here on how to meet this condition—that is, what would your association suggest, if anything, to us—that is, amendments to this bill or a substitute bill or any way of meeting the conditions he speaks of, to prevent stealing of automobiles and the stealing of property generally and using the automobiles as a vehicle for that purpose?

Mr. ROWE. In my judgment the matter of apprehension of automobile thieves is a State police proposition and that our States should pass laws similar to those that have been passed, such as the Dwyer Act, and carry on that work under the supervision of the State automobile authorities.

Mr. FREAR. Supposing New York, for instance, does pass such a law, a stringent law, but over in Connecticut or over in New Jersey, across the border, they have no such law, and the machine is over there inside of an hour, how are you going to reach that?

Mr. ROWE. You can apprehend a robber anywhere.

Mr. FREAR. But you are going to try him under the laws of the State where he is apprehended.

Mr. ROWE. Now you are getting into the law and I can not answer you.

Mr. FREAR. But that is a practical question.

Mr. ROWE. I could not answer your question. I do not know.

Mr. FREAR. That, of course, would be reached by this proposed bill.

Mr. YOUNG. Supposing all the States were to pass such laws, it would still be necessary to detect the criminal, and would not the passage of this law help you to detect him?

Mr. ROWE. There is nothing in the provisions of the law itself that would. There is no machinery provided at all.

Mr. YOUNG. Well, if it is carried out, it would help identify, etc.?

Mr. ROWE. I can not tell how it will be carried out; therefore I can not answer your question.

The CHAIRMAN. The gentleman must conclude his remarks very soon now. There are some others that want to speak. Do not engage in other questions except on something relating to the bill.

Mr. YOUNG. Mr. Chairman, if we have any notion of ever passing this bill we have got to be thoroughly informed on it.

The CHAIRMAN. I am trying to do that, but there is no use talking about things that do not relate to the bill.

Mr. YOUNG. I think we are sticking pretty closely to the bill.

The CHAIRMAN. Not at all.

Mr. FREAR. My last question, Mr. Chairman, which was the last one I asked, I believe, was what substitute proposition he would offer for this bill.

The CHAIRMAN. Well, now, let us pass on to another question. He said he had not; he did not know.

Mr. ROWE. I said that I thought the answer was the passing of State laws similar to that provided under the Dwyer Act, which is now in operation in 13 States.

The CHAIRMAN. Have you any other point to bring out?

Mr. ROWE. I am perfectly willing to answer any question the committee may wish to ask, if I can.

The CHAIRMAN. If the committee has no further questions to ask, we will call Mr. Ten Eyck.

STATEMENT OF HON. PETER G. TEN EYCK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK.

Mr. TEN EYCK. Mr. Chairman, I appreciate the shortness of the time, and therefore I will not go into the details of this bill. I speak in opposition to it and I can appreciate the position Mr. Todd has taken coming down here representing the legal fraternity of New York State and arguing the legal side of the question. However, there is no one here who represents himself as representing the taxpayer and the automobile owner. I happen to be vice president of the New York State Automopile Association, representing about 30,000 members, and I also speak as an automobile owner and from the standpoint of the tax-paying people of the country.

This bill appears to be a bill for taxation to control criminals of the country. From a taxation standpoint, as has been explained here, the autombile industry to-day comes within the Federal income tax; it has a property tax on each of its local plants; there is a State tax upon the individual automobile owner for the use and operation of the roads of the State in which the automobile is registered, and if this bill is enacted

into law it will be another tax in addition to all of the above and can be made quite burdensome by Congress increasing it from time to time in the future. I am opposed to a Federal tax agent controlling the operation of my automobile, nor do I wish to be required to record ownership with a United States court clerk.

The bill also calls for all signatures to be attested to by a notary public, which will at least cost 25 cents, and the proper filing and recording of the transfer of all automobiles, which will cost at least 50 cents additional, together with mailing and other incidental expenses, which will total an additional cost of approximately $1 per each car, which will mean an additional cost of $13,000,000 over the entire United States, without considering the value of the loss of time of the individual car owner.

From this bill it appears that if enacted into law it will practically take the jurisdiction of the sale and transfer, and to a certain extent the operation, of the automobile from under the control of the State and place it under the Federal Government. It is making of the Federal Government a recording office throughout the United States for mortgages and transfers, and other incidental legal matters relating to the purchase and sale of an automobile, with only one object to obtain and that is for the purpose of officially assigning a number to every registered car throughout the United States, which is supposed to be indestructible. It does not state whether these numbers will be classified under the various States or whether each car from each State will be given a number in accordance with the sequence it applies for registration.

If this bill becomes a law it will undoubtedly create a duplication of a clerical force, a duplication in taxation, and a duplication in the inconvenience to the owner of each individual car.

I suggest that all of this can be taken care of by requiring each State to enact the essential requirements of this bill. This can be accomplished without any additional expense to the State, without any additional tax on the automobilists, if each automobilist of each State is required to place upon his engine an indestructible number prefixed by the initials or an abbreviation of the name of the State in which the car is registered. These numbers and all other information which the State now requires on registration of a motor vehicle can be exchanged with all other States in the Union, which will only require the filing of 48 duplicate copies, so that all information will be available in a few minutes time by telephoning direct to the secretary of state or appropriate official of the State in which information is desired about any particular car as to identification.

I want to introduce to you, however, a man who has come here from New York State, who is the attorney of the New York State Automobile Association, who has been requested by them to appear before you and give you our views in relation to this bill, and I hope you will give him the opportunity to speak. I want to introduce Mr. Melvin T. Benton. I will not take up any more of your time.

The CHAIRMAN. We will adjourn until 2 o'clock this afternoon.

(Whereupon, at 12 o'clock noon, the committee recessed until 2 o'clock p. m. this day.)

AFTER RECESS.

Tke committee met at 2 o'clock, p. m., pursuant to the taking of recess.

The CHAIRMAN. Gentlemen, I am sorry I am late, but I was held up. We were hearing Mr. Ten Eyck.

Mr. TEN EYCK. I had finished, and I now want to introduce the general counsel for the New York State Automobile Association, Mr. Melville T. Bender.

STATEMENT OF MR. MELVILLE T. BENDER, REPRESENTING THE NEW YORK STATE AUTOMOBILE ASSOCIATION.

Mr. BENDER. Gentlemen, I know your time is limited, and I am going to try to be as brief as a lawyer can be. I am coming right to the focal point of the matter. First I want to say this: We recognize the fact that Mr. Todd and these district attorneys have honestly tried to build up a constructive measure; that their only interest is the public weal and that they have no other motive. We understand all of that clearly and we differ with them purely and simply as a matter of principle. We know they are good fellows and know they think they are doing right according to their idea.

Now, gentlemen, the proposition gets right down to this: I am going to lay the cards right on the table and I am going to state the reasons why we are against the bill. Whether they are good or bad reasons they are our reasons and we are going to stand or fall on them. The first reason why we are against the bill is that there are approximately 11,000,000 men in this country who are going to be deviled and irritated by

these meticulous regulations which are to be made and which will compel many farmers with little Ford cars to travel many miles to some understrapper, some petty clerk, and sit on a bench in the sun while they take care of this registration, reregistration, changing of cars, and everything else when cars have new owners, and so on and so on. That is the one big reason why we are against it, and able as Mr. Todd is—and he is a good, bright, able, and capable fellow—he has not worked it out, and I submit that the bill as it now stands is conspicuous for what it omits rather than for what it contains. He does not know how these numbers are going to be stamped in; whether they are going to have a machine in every county of a State or not; he does not know how far these people have got to go, where the central distributing points are going to be, or what the machine is going to cost. Why, gentlemen, you know as well as I do that it is simply foolishness for us to sit here and say that this is going to be a $2 tax. I have a right to say, and I do say, that I think it will be nearer a $22 tax before we get through with this business. The $2 tax is just a starting point, There is a nominal tax of $2 in this bill. but what are these regulations going to amount to and going to cost to carry them out and what are the fees going to be to these petty officials?

Mr. GARNER. Eliminating the automobiles which are now in existence, what would you say about the policy in the future of having the manufacturers required to put in certain numbers for the purpose of identification and assistance in the enforcement of the criminal laws?

Mr. BENDER. My answer to you, sir, is this: If it can be done without superimposing a Federal tax on a State tax, I am in favor of it; if it can not be done in that way, then I want to have an honest effort made to have the States try it out.

Mr. GARNER. Let us suppose that the constitutional inhibitions are such that you have to resort to the misnomer of taxation, a tax of 10 cents on each automobile—I will take an extreme case—and under the head of taxation you make certain rules and regulations with reference to number and registrations in the States and counties where they are sold by the manufacturers in order to assist in the detection of crime; what would you say about that?

Mr. BENDER. I think it could be handled better through the States. That is my answer to it. Here is the proposition, as it seems to me: I honestly believe that Mr. Todd's cure is worse than the disease. He says the States can not do the job. My answer to that is, it has never been tried; there has never been any real effort made to get the States together on this proposition or to put through a State law in any State along the lines of this bill. Now, you have this situation: This is another wedge, in my opinion, for higher automobile taxes. I am perfectly honest about it.

Mr. GARNER. Is not that really your objection to the suggestion I made?

Mr. BENDER. No. My real objection, Congressman, my real, basic objection, is the fact that 11,000,000 fellows are going to be bothered; they are going to be irritated. That is my real objection, and if I sat down after making that statement I would have made all the argument I thought was necessary.

Mr. GARNER. What do you mean by nagging? I understand it would be inconvenient, and all that.

Mr. BENDER. Very.

Mr. GARNER. Do you mean by transferring the prosecutions of crime from the State courts to the Federal courts?

Mr. BENDER. No; I mean this: That when a man has to have this number inserted in his car in some way by some kind of a machine that Mr. Todd spoke of, it has got to be done at some central point, and a man has got to drive there.

Mr. GARNER. You are now speaking about the cars which are in existence. I propose to eliminate all of the cars that are now in existence and commence now with a registration which will, in 20 years from now, result in a thorough registration by the manufacturers of all the cars made by them, so that they can be identified, and some system by which they could assist in the detection of people who steal automobiles or use them for unlawful purposes. I want to do everything I can to detect crime and so do you.

Mr. BENDER. We all do.

Mr. GARNER. My only objection is that we transfer from the State courts to the Federal courts the prosecution of people for failing to do certain things, and I am opposed to that.

Mr. BENDER. I am opposed to it.

Mr. GARNER. I prefer to leave the handling of a citizen for crime, as far as it is possible, with the State courts.

Mr. BENDER. I prefer that, too. Furthermore, the clerks of the United States courts are, in many cases, widely scattered and located at inconvenient points. I believe this can be much better handled by the States. For instance, in our State,

New York, we have a county clerk in every single county but that is not so as to the clerks of the United States courts.

You have the letter "X" in the bill, an unknown quantity. You have got the question of what the Treasury Department is going to do. After you gentlemen sit down in all your wisdom and enact a perfect law the Secretary of the Treasury, or some man in his department, is going to issue a series of regulations which will result in the determination that the law did not mean what it says. That is what I believe, and we are not willing to put our heads in a blind sack and have a lot of regulations issued from time to time. Why, gentlemen, the thing gets right down to this: Here you have a lot of farmers and poor fellows who are running little, cheap cars, and if they are going to have regulations in January and a new set in March they do not know where they are "at," and a lot of those fellows run their automobiles the same as they would a wagon.

I may not make that very clear or simple, but the idea is that I am against it mainly and chiefly for that reason, and I am satisfied to stand on it without any other reasons if I have to. But in addition to that fact you have got the Treasury regulations, and Mr. Todd himself could not say what they were going to be. He is going to have some official here talk about them, but we have not heard him. We are against the bill as long as it is in that situation, because it means complications and red tape for the little fellow, who has not got the money or the time to drive his car a couple of hundred miles for the purpose of registration. That is one thing we are against. And here is another thing that has not been mentioned so far in this argument: Where are you going to have all of these multitudinous and multifarious records segregated? They have got to be in some fixed, central office if they are going to be of any use. That probably means the genesis of a new Federal bureau, and if that conclusion is right then we are against the bill for that reason. In other words, if I can boil this thing down, and I think I can, I believe the district attorneys in every county in the State, New York—and that is where I come from; I can not speak about Texas and Kansas but I can speak about New York—are better able to handle this matter than the United States district attorneys, whose dockets are more than clogged and whose courts are sitting almost continuously.

Now, gentlemen, that is the essence of our objection. I could go on and talk by the hour, but I know you fellows are busy and I am simply going to leave it at that.

Mr. GARNER. You are a lawyer?

Mr. BENDER. I am, sir.

Mr. GARNER. What do you say about the public policy of passing a law and making it a crime to violate regulations to be made in the future by some head of a department?

Mr. BENDER. I am so dead against it that I can not talk straight about it.

Mr. GARNER. All right. Then we are agreed.

Mr. BENDER. We are certainly agreed on that proposition.

The CHAIRMAN. What other gentleman is there who wishes to be heard?

Mr. MILLS. Mr. Banton, who is the district attorney of New York County, has come here and would like to be heard.

STATEMENT OF MR. JOAB H. BANTON.

Mr. BANTON. I am the district attorney of New York County and the president of the Association of District Attorneys of the State of New York. What I shall say, Mr. Chairman, and gentlemen, will largely look to the question of discussing and answering some of the questions which have been raised by those who have spoken in opposition to this bill. I want to say for Mr. Todd and for the district attorneys that we have not any great pride of authorship as regards this bill. If something can be devised that is better and that will meet the situation and the peril that now exists we shall be delighted to cooperate with any agency or any group of persons to bring to you or to the proper committee of this Congress, or anywhere else, this bill or any other bill that will tend to do what this bill tends to do.

As far as assistance in the prosecution of crime is concerned, I represent the county of New York and it may be of interest to you to know that in the city of New York during the last year there were stolen 6,808 automobiles. During the year 1920, there were stolen in the same territory—and that comprises five counties—5,179 automobiles.

I think it is safe to assume that the average cost of those automobiles, even considering all of these little flivvers that were spoken of by the recent and preceding speaker, would be $1,000 per car. In other words, during last year the people of New York City had stolen from them something like $7,000,000 in value of automobiles. If we take that as a basis and eliminate, of course, the fact that in a great, crowded municipality like ours the theft of automobiles is more easily effected than in a rural section,

I think it is safe to assume that the actual loss in automobiles during the last year in the United States would run close to $70,000,000 and possibly more.

Mr. GARNER. As a public policy you would not care to transfer the jurisdiction for the prosecution of the theft of automobiles from the State to the Federal courts if the same results could be had in the State courts as could be had in the Federal courts?

Mr. BANTON. I should prefer to keep it there.

Mr. GARNER. That is what I thought. The principal object in coming here for relief is detecting the theft of automobiles more than anything else, but in doing that you transfer the jurisdiction over the violation of certain rules and regulations from the State to the Federal courts and subject every person violating them to prosecution.

Mr. BANTON. I should say to deter rather than to detect. An ounce of prevention is worth a pound of prosecution in my way of looking at the criminal law. This bill would prevent the larceny of automobiles, and we can not do that through State legislation, Mr. Garner. That is an impossibility.

Mr. MILLS. Will you explain just why this bill would result in preventing the theft of automobiles?

Mr. BANTON. Yes; I shall be very glad to do so. No one will steal anything, except money, if there is no market for the product. Certainly no one would steal an automobile if he could not sell that automobile. The purpose of the theft is to convert it into cash and, of course, under this bill, or any other bill which would carry into effect the same provisions, the market for stolen automobiles is killed, because when an automobile is offered for sale within 20 minutes' time you can find out from the place where that automobile is registered the full and complete title to that automobile, not only as to the title to the car itself but whether or not there are any liens against the car.

Mr. GARNER. Would it be possible to pass a law under the interstate commerce clause of the Constitution providing that a car going into interstate commerce could not transfer its title without registering in a county clerk's office or some other office?

Mr. BANTON. Yes; that would be possible, and we considered that feature of the Constitution as a means of bringing about this particular legislation.

Mr. GARNER. I think you will and everyone in sympathy with your object.

Mr. BANTON. Absolutely.

Mr. GARNER. It is only a question of the means of obtaining what you want to do.

Mr. BANTON. That is just the difficulty. Of course, in a State like Texas—and that is my native State, by the way, and I am proud of that fact.

Mr. GARNER. New York usually avails itself of the best material.

Mr. BANTON. Thank you.

The CHAIRMAN. The farmers of Texas have to go up to New York to engage in the practice of law in order to maintain their farms.

Mr. BANTON. No; I can say, sir, that I am not like one of the speakers this morning. I am not a dirt farmer nad never have been. Furthermore, I have been rather amused at some of these men coming from New York talking about these poor fellows who have their Ford flivvers down on the farms. As a matter of fact, possibly about 10 per cent of the automobiles owned by these so-called poor men in the country would be affected. About 90 per cent belong to the cities. We need not worry so much about these poor men, because they are able to take care of themselves. I used to be one of them and know exactly how they can stand that. In a large State like Texas or like New York, taking the central part of the State, you will find a number of cars that never enter another State. The same would be true of Pennsylvania and I could mention a half dozen or more. They would never in any way be connected with interstate commerce, and yet they would be subject to theft just the same and the difficulty of detecting and prosecuting those who do the stealing would be the same. Let me explain what happens in New York City. A car is stolen to-day and to-morrow I will defy anybody to recognize his own car. The parts have been changed; the numbers have all been changed; the engines have been changed; the motors have been changed, and everything you can think of in the cars have been changed. It is a perfect business in New York City, the manipulation of stolen automobiles, from the man who paints to the man who screws on a nut or bolt, and they have it down to such a fine science that a car stolen to-day is not recognized to-morrow. Now, that is in our own territory; that would continue in our own territory and that would continue to be the practice in any other territory.

Mr. GARNER. It would with reference to cars now in existence. There is hardly any manufacturer of cars who does not expect his cars to go into interstate commerce and that is necessarily so because of their being transferred from the place of manufacture to the place of consumption.

Mr. BANTON. That is true.

Mr. GARNER. But if you had a law looking forward, not to next year or to the cars in existence, but looking forward to 4, 5, or 10 years from now, it occurs to me that there might be some way by which you could reach it under the interstate commerce clause.

Mr. CAREW. No manufacturer would confine his product to his own State; he would always manufacture with the idea that he would be able to ship to any place in the country.

Mr. BANTON. That is true, and that is one thing that keeps us from being able to use State laws in connection with this.

Mr. CAREW. If we provide that a man who manufactures automobiles for the purpose of interstate commerce should be obliged to cast in the cylinders, in the engine, or in the frame, certain marks of identification that would provide for the future.

Mr. BANTON. That would bring us some relief and would provide for the future, but it would not take care of the possibly 11,000,000 cars that are now in existence in the United States.

Mr. CAREW. And in that way you would also get rid of irritation on the part of automobile owners; that is, if such a bill is passed.

Mr. BANTON. You know that irritation relates purely to the tax. That is all, gentlemen. After all is said and done, that is the whole thing.

Mr. CAREW. This tax is not very much.

Mr. BANTON. No, sir; and the tax, if they renew it, the tax itself would be far less than their premium would be on the insurance.

Mr. CAREW. It would be valuable to them from the standpoint of reducing the danger from robbery.

Mr. BANTON. Purely.

Mr. GARNER. What I was trying to meet is the proposition which you submitted, which is correct, that no one is going to steal anything they can not market. Now if it could be so arranged under the interstate commerce act that a car that went into interstate commerce, that all transferes thereafter had to go through a certain form, you would reach the situation that you are trying to arrive at now to a certain extent.

Mr. BANTON. We would reach a large part of it, yes, sir; not the part that we could reach under this particular measure, under a measure of this kind.

Now mind you, if you would ask my own preference, it would be that we should make this strictly into a revenue bill and make the others incident to the bill.

Mr. GARNER. Has your State legislature every considered—your State legislature in New York—speaking of New York State alone—has your State legislature ever considered the problem of providing for the transfer of a car from one person to another and the registration of it in the clerk's office, so as to keep track of the sale of cars?

Mr. BANTON. We have tried that, Mr. Garner, but the trouble is——

Mr. CAREW (interposing). That is in the secretary of state's office.

Mr. BANTON. Yes; and the trouble is they are registered in different ways. In the city, in the police department they are registered, but the trouble is that does not change the situation of the mutilation of cars and the taking of five cars that have certain numbers and turning those cars out with entirely different numbers, so that there is no absolute identification of the car, of any one of those five cars. That is the difficulty with the law as it stands, and that will be the difficulty with all of our State legislation in connection with the matter. I don't see how we can eliminate it.

Now this law—and mind you, I am greatly opposed to any law, any act of Congress that tends to take away from the State the prosecution of given offenses—but this particular bill or any bill that is similar to it will not have that effect beyond the prosecution of those who mutilate or change the number of indication or the numbers of identification, rather, in connection with these given cars. This still leaves open to us in our State the prosecution of those who have been apprehended or may be apprehended, accused of having stolen a given automobile.

Mr. VAN DYKE. The adoption of this would not repeal the laws of the State.

Mr. BANTON. No; it would give us a great deal of assistance in enforcing our own State larceny laws, because we would have the means of detection that we have not at the present time.

I can not see that there is any danger of the creation of a new Federal bureau. The registration can be carried on perfectly well and compatible with the duties of the clerks of the various districts in the United States at the present time, and everything can be worked out in a complete and harmonious detail by any part of the Government to which this may be referred, whether it be the Department of Justice or the Treasury Department.

Mr. CAREW. Why don't the manufacturers cast into their engines, into the metal somewhere, some indelible mark of identification?

Mr. BANTON. They do.

Mr. CAREW. Some thing that can not be removed?

Mr. BANTON. They do; every motor, every engine, everything has a number.

Mr. CAREW. Why can they not trace them in that way?

Mr. BANTON. Because they interchange them. They will steal five cars, say, of a given type and interchange them so that you will not be able to recognize any one of those five cars. The bodies will be painted differently, the numbers will be mutilated, will be shaved off of the engine, and all the identification marks will be changed so that it is impossible to recognize any one of them.

Mr. CAREW. They shave these numbers off?

Mr. BANTON. Yes, sir. But immediately a man is found in possession of one of these cars, don't you see, we communicate with the proper authority and we find that there is no such number as that for that particular car, and we know right then that we have a crooked car.

The CHAIRMAN. There is one thing to be taken into consideration, and that is the creation of a department that would require so many Government employees. We are trying to get away from that as far as possible, but it seems to be a most difficult matter. To my great surprise I learned a day or two ago that we have special agents in the country now, representatives of the Internal Revenue Bureau, 13,000—they have 13,000 special men out in the field. The taxpayer has to pay that.

Mr. BANTON. Yes, sir.

The CHAIRMAN. So we want to be careful about creating new offices, unless there is some method provided by the bill to raise sufficient revenue to meet those expenses in some way. But whether you do or whether you do not, it is a tax upon the people somewhere, and the taxes are very great, of course.

Mr. BANTON. If the tax, Mr. Chairman, is placed upon a given person and he on the other hand is saved a greater amount than that tax by the reduction of his insurance premium because of the safety that is given to him in the possession of his article of merchandise, you see we have not really put any burden on anyone.

Mr. WATSON. One hundred million people would have to pay the taxes for 11,000,000 people who own the automobiles, which would only benefit the men who own automobiles. How many men do you think would be required to register and keep registered 11,000,000 automobiles in this country?

Mr. BANTON. It would not require any more than we have now.

Mr. WATSON. I think it would require extra books at every court, every district attorney's office; it would require extra clerks to register the automobiles, every one that is sold—and a great many of them are sold. Somebody has to pay the tax.

Mr. BANTON. No; that is cared for in the bill. That is cared for by the individual who purchases the automobile in the first instance; then if he makes a transfer, of course that has to be recorded.

Mr. WATSON. The individual does not pay the employee; the individual does not buy the books; the individual does not keep up the bureau.

Mr. BANTON. We have put a figure here, and I do not know whether we are right on the figure or not—that is, of course, for some one who is more experienced in those matters than I to say—we have put a figure here that we thought would take care of that and leave a surplus beside. Now, whether we are wrong or right in that is a matter that can be ascertained. If we are wrong, the figures could be fixed to take care of it.

In other words, 11,000,000 people will pay this tax themselves and they will pay it out of the savings that they effect on premiums of insurance.

Mr. WATSON. I know they will pay it, but the men who do not own automobiles will be taxed to keep up the offices and pay the extra clerks.

Mr. BANTON. No; I should think the charge could be made right against this fund.

Mr. WATSON. I do not see how it could. You mean to collect the money and then pay it out of the fund collected?

Mr. BANTON. Either that or else put that money into the Treasury and pay it out as a governmental matter from another source. I do not know how that should be done, but I mean the income will be greater than the expenditure.

Mr. WATSON. That is, if you collect $26,000,000, then you think there would be enough money to keep the bureaus and pay the clerks and there would be a surplus over to give to the Government?

Mr. BANTON. Yes, sir. The annual income on the registration of new cars is estimated at $6,000,000, you see.

Mr. WATSON. I think your plan is a good one if it could be carried out with satisfaction.

Mr. BANTON. There may be some difficulty in connection with it, but the question is whether we are not by doing this particular thing affecting a greater saving to a great part of our population, and incidentally making crime more difficult in the United States.

Mr. WATSON. Do you think it will stop bootlegging? Was that the object of the bill originally?

Mr. BANTON. No, sir; I am not bothered with that down in my section of the country, although they tell me that on the northern tier of counties in New York most of the cars that are engaged in bootlegging are stolen cars. I do not know how true that is. That is only hearsay information.

Mr. WATSON. I do not know whether your association—the bill was brought out by your association for the purpose of stopping bootlegging?

Mr. BANTON. No, this bill was brought out largely because we have such great difficulty in apprehending and in convicting those that are accused—I mean those that actually steal automobiles—and in the automobile being used in connection with major crimes. You would be surprised to know that nearly every one of the major crimes that we have, like murder, robbery, and burglary, has connected with it a stolen automobile. I mean now in the greater city of New York; I can not speak outside of the greater city of New York on my information, and there is where my experience lies. They go in a high-powered touring car to a place; they are loaded down with a lot of goods, thirty or forty thousand dollars worth of goods; they take it away and the goods are disposed of, and maybe the car is even wrecked. We find the car wrecked somewhere, a car stolen and used for that purpose.

I am just saying that anything that tends to deter crime, as this bill will tend to deter it, or a bill similar to this will tend to deter it, is something that certainly should be considered, and in this particular case a bill that does not lay any heavy burden upon the great mass of our population and does not lay any burden upon those who are directly interested, the automobile owners, beyond what they will save in premiums of insurance, does not place any burden on anyone and should not be seriously opposed by anyone, but it seems to me that those who are really interested in the automobile conditions of this country should be the ones first to be interested in this particular kind of legislation.

Mr. WATSON. Then you think it will eliminate theft insurance on automobiles?

Mr. BANTON. It will very nearly eliminate theft insurance, yes, sir, because it makes theft of an automobile such an impracticable thing that theft will be a rare thing in connection with automobiles; therefore the insurance premium will be reduced to a minimum. I do not know that there is anything more I can add, Mr. Chairman, except, of course, I am speaking largely from the point of view of the State prosecutors and to let you know that we do not feel that this bill infringes in the least on the State's rights or powers.

The CHAIRMAN. Is some gentleman representing the Detroit Automobile Dealers' Association here?

(There was no response.)

THE CHAIRMAN. Is Mr. Johnson here?

(There was no response.)

THE CHAIRMAN. Is there any other gentleman present that wishes to be heard?

STATEMENT OF HON. ARCHIE D. SANDERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK.

Mr. SANDERS. Mr. Chairman, I have a letter here from the district attorney of Monroe County, which is in my district, in which he states that he is very much in favor of this proposition; that he is very sorry he could not be here to-day and advocate the bill, and I ask the privilege of having his letter printed in the hearings.

The CHAIRMAN. Very well, it may be inserted.

(The letter referred to follows:)

OFFICE OF THE DISTRICT ATTORNEY,
Rochester, N. Y., May 10, 1922.

Hon. ARCHIE D. SANDERS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: During the winter in New York State the Association of Federal and State Attorneys was formed, the object of attempting to suggest ways and means generally of reducing crime.

Various bills were introduced in the legislature at Albany and some at Washington.

There is to be a hearing on Thursday, May 11, on the bill introduced by Congressman Ogden L. Mills, on April 10, 1922, known as H. R. 11251. I have found it impossible to go to Washington for this hearing, but I am very desirous of seeing the above-mentioned bill reported and passed. It covers one of two situations which need Federal action. This bill providing for registration of motor vehicles in such manner as to make it very difficult for criminal action concerning automobiles, or in which automobiles are involved, is very desirable.

As vice president of the Association of Federal and State Attorneys I have been in close touch with the action taken by that association in the matter and feel that every member of it is most desirous of having this bill passed.

Yours very truly,

WM. F. LOVE, *District Attorney.*

Mr. YOUNG. Have you heard any of these dear friends of the farmers who are opposed to having this bill passed?

Mr. SANDERS. I have not heard of that.

Mr. YOUNG. We had Mr. Rowe here this morning against the bill. I mention that because he says farmers do not want it.

Mr. SANDERS. No; I did not hear that.

I am very glad to be here in this capacity, and I thank you, gentlemen.

The CHAIRMAN. I am in receipt of a letter from the district attorney, Rochester, N. Y., Mr. William F. Love, which I will place in the record.

(The letter referred to follows:)

OFFICE OF THE DISTRICT ATTORNEY,
Rochester, N. Y., May 10, 1922.

WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: I find it impossible to appear before your committee on Thursday, May 11, at 10.30 a. m., when, I understand, the hearing on H. R. 11251, concerning the taxation and registration of motor vehicles, will be had.

As vice president of the Association of Federal and State Attorneys of the State of New York, I desire to urge as strongly as possible the reporting of that bill. Automobiles are now used in so many crimes and so many crimes are committed concerning automobiles themselves that it is highly desirable for prosecuting officials to have Federal action.

I expect Mr. Banton, district attorney of New York County, and president of the association, together with Mr. Todd, United States attorney, will appear, and I desire to second anything they say in behalf of the reporting of the above bill.

Yours very respectfully,

WM. F. LOVE, *District Attorney.*

Mr. SANDERS. That is the same gentleman who writes the letter that I have filed.

The CHAIRMAN. Are there any other gentlemen here who wish to be heard on this bill?

Mr. MILLS. May I suggest that you communicate with the Treasury Department and request their opinion on the bill? I do not know that the committee would want to hear them, but I think we should get their opinion.

Mr. HIRAM C. TODD. Since this morning I have talked with the officials of the Treasury Department, who inform me that they have received a communication from the chairman of this committee and that they intended to reply to that in the usual way, in a written memorandum.

The CHAIRMAN. Very well. It has not been received yet.

The committee stands adjourned.

(Whereupon, at 2.45 o'clock p. m., the committee adjourned.)

ADDENDA.

HOUSE OF REPRESENTATIVES,
Washington, D. C., May 14, 1922.

Hon. JOSEPH W. FORDNEY,
Chairman Committee on Ways and Means,
House of Representatives.

MY DEAR MR. CHAIRMAN: I beg to inclose you herewith clipping from the editorial column of the New York World, of May 13, 1922, and would ask if you will kindly have same inserted in my remarks when I appeared before your committee in opposition to Mills bill, H. R. 11251.

Thanking you in advance, I beg to remain, with kind regards,

Very sincerely yours,

PETER G. TEN EYCK.

(The clipping referred to is as follows:)

[The World, New York, May 13, 1922.]

MORE REGULATION: MORE TAXES.

That a Federal automobile registration law, as District Attorney Banton seems to believe, would greatly help in checking the stealing of cars, is possible. What is certain is that it would mean the establishment of another Government bureau, with a growing appropriation, of course, for its support; another system of Government regulation; another staff of Government employees to collect fees; and still another force chasing around to see whether automobilists had paid their annual taxes to the Government.

It would not be long, once the plan were put into operation, before automobile traffic would be declared interstate commerce, and so on progressively the State and local authorities would be crowded aside by Federal officials. From the politician's point of view it may seem an excellent scheme. It promises more jobs and money to distribute. But have the automobilists, for whose protection the Mills bill is ostensibly designed, anywhere urged the need of such a Federal law?

MSH 22075

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TITLE